

Message Text

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ACTION EB-07

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E.O. 11652: N/A

TAGS: EALR, EFIN, AR

SUBJECT: VALUE ADDED TAX - APPLICATION TO IMPORTS

REF: A) BA0578, JAN. 24, 1975 AND B) A-19, JAN.31, 1975

1. SINCE, JANUARY 1ST., 1975 IMPORTS TO ARGENTINA OF GOODS, INCLUDING CAPITAL GOODS, ARE SUBJECT TO THE VALUE ADDED TAX. THE APPLICABLE RATES ARE SAME AS APPLIED TO INTERNAL SALES OF GOODS AND SERVICES, I.E. A 13 PERCENT GENERAL RATE, AND 21 PERCENT RATE FOR THOSE PRODUCTS LISTED IN ART. 30 OF LAW 20631 (SEE ENCLOSURE TO REF B.) IN GENERAL, PRODUCTS TAXED AT 21 PERCENT ARE THOSE DOMESTICALLY PRODUCED OR LUXURY ITEMS.

2. VALUE ADDED TAX IS RETAINED BY CUSTOMS OFFICE AT TIME OTHER IMPORT DUTIES AND TAXES ARE PAID. THE VAT RATE IS APPLIED TO "NORMAL PRICE" PLUS ALL IMPORT DUTIES. THE "NORMAL PRICE" IS DEFINED BY LAW 17352 (SEE ANALES DE LA LEGISLACION ARGENTINA VOLUMEN XXVII-B PAGE 1564) AS THAT PREVAILING WHEN MERCHANDISE IMPORTED UNDER CONDITIONS OF FREE COMPETITION. IT INCLUDES FREIGHT, INSURANCE, COMMISSIONS, PACKING, AND ALL OTHER COSTS INCURRED IN PLACING MERCHANDISE IN LOCAL PORT.

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3. ITEMS EXEMPTED FROM VAT ARE THOSE IMPORTS OF GOODS LISTED

IN ART. 26 OF LAW 20631, WHICH ARE IN GENERAL ESSENTIAL RAW MATERIALS, INCLUDING COAL, GAS, AND CHEMICAL PRODUCTS. THE LAW IN GENERAL ESTABLISHES EXEMPTIONS BY CATEGORY OF GOODS INSTEAD OF EXEMPTIONS BY IMPORTERS OR END USERS. IMPORTS MADE BY GOVERNMENT AGENCIES ARE SUBJECT TO VAT, AS WELL AS LAFTA IMPORTS. ONLY END USERS EXEMPTED ARE RELIGIOUS, CHARITY, EDUCATIONAL, SOCIAL WELFARE, AND ARTISTIC INSTITUTIONS; AS WELL AS PERSONAL EFFECTS OF PASSENGERS, DIPLOMATS, AND IMMIGRANTS.

4. AS WITH SALES TAX, THE VAT PAID ON CAPITAL GOODS IMPORTS MAY BE APPLIED TO PAYMENT OTHER TAXES OVER THREE YEAR PERIOD.
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